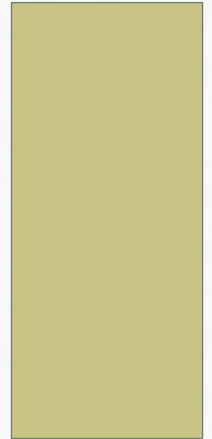


Strategy in the Age of Innovation

A LOOK AT TECHNOLOGY AND
PROCUREMENT ISSUES
IN STATE GOVERNMENT

PREPARED FOR FISCAL REVIEW
OCTOBER 21ST, 2014



PRESENTATION AGENDA

I. Introductions

II. History & Current Status – Information Technology

- Stephanie Dedmon and Mark Bengel

III. Future Trends – Information Technology

- Mark Bengel

IV. A National Perspective on State IT

- Doug Robinson (NASCIO)

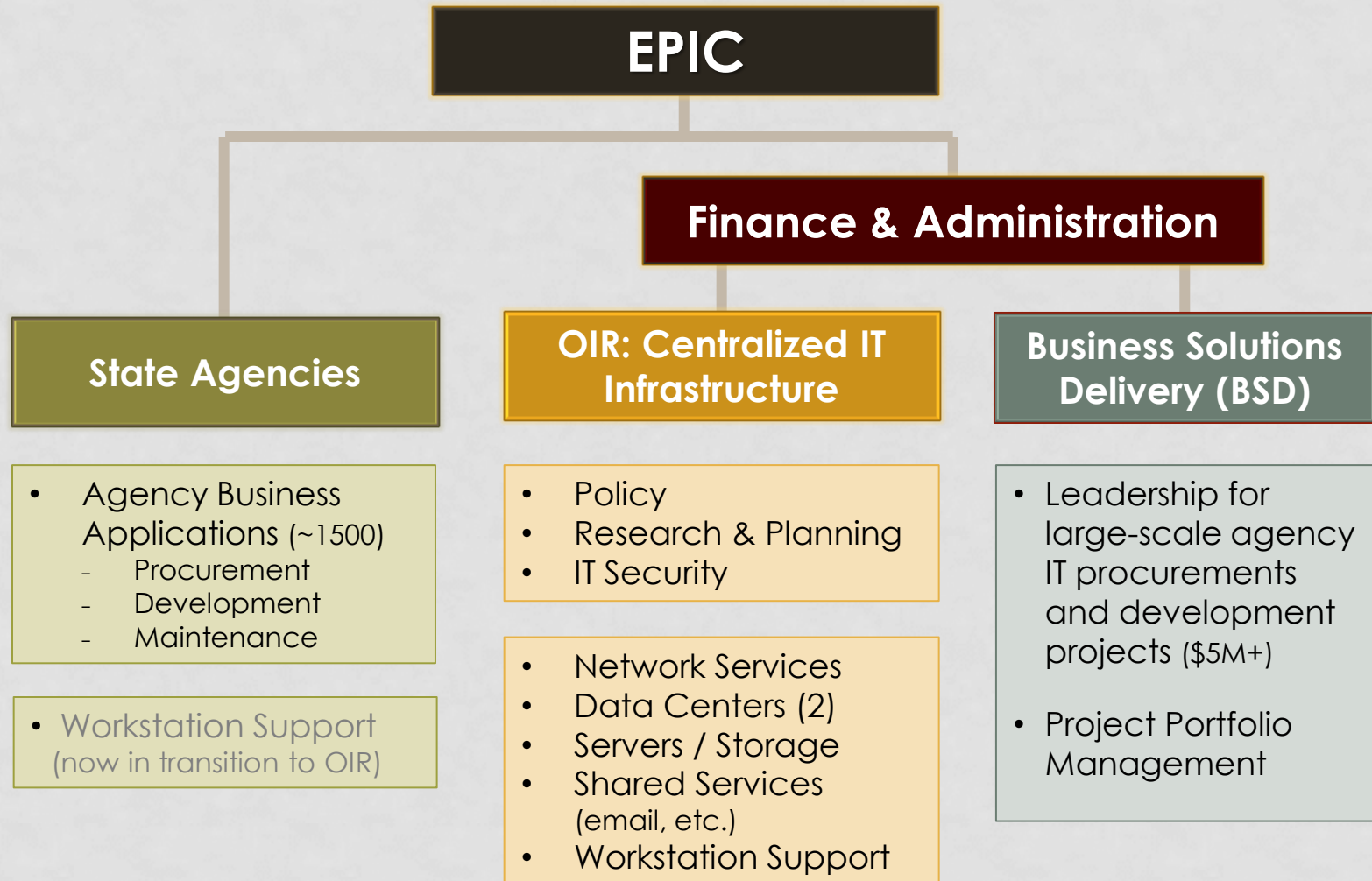
V. IT Procurement Best Practices

- Dugan Petty (Center for Dig Gov)

VI. Questions & Answers



INFORMATION TECHNOLOGY (IT) STRUCTURE IN THE STATE OF TN EXECUTIVE BRANCH



Information Technology Systems Growth

FY 2004 - FY 2014

Service Area	2004	2014	% Increase/Decrease
Service Metrics			
Servers Managed	257	2,407	836 %
Databases Managed	244	1,305	435 %
Data Storage at Data Center (Terabytes)	26	4,800	18,361%
Network Connections	28,270	63,387	124 %
Operational Data Centers	1	2	100 %
TN Portal Applications (Citizen Facing)	0	92	920 %
Agency Business Applications	350 (est)	1500+	328 %

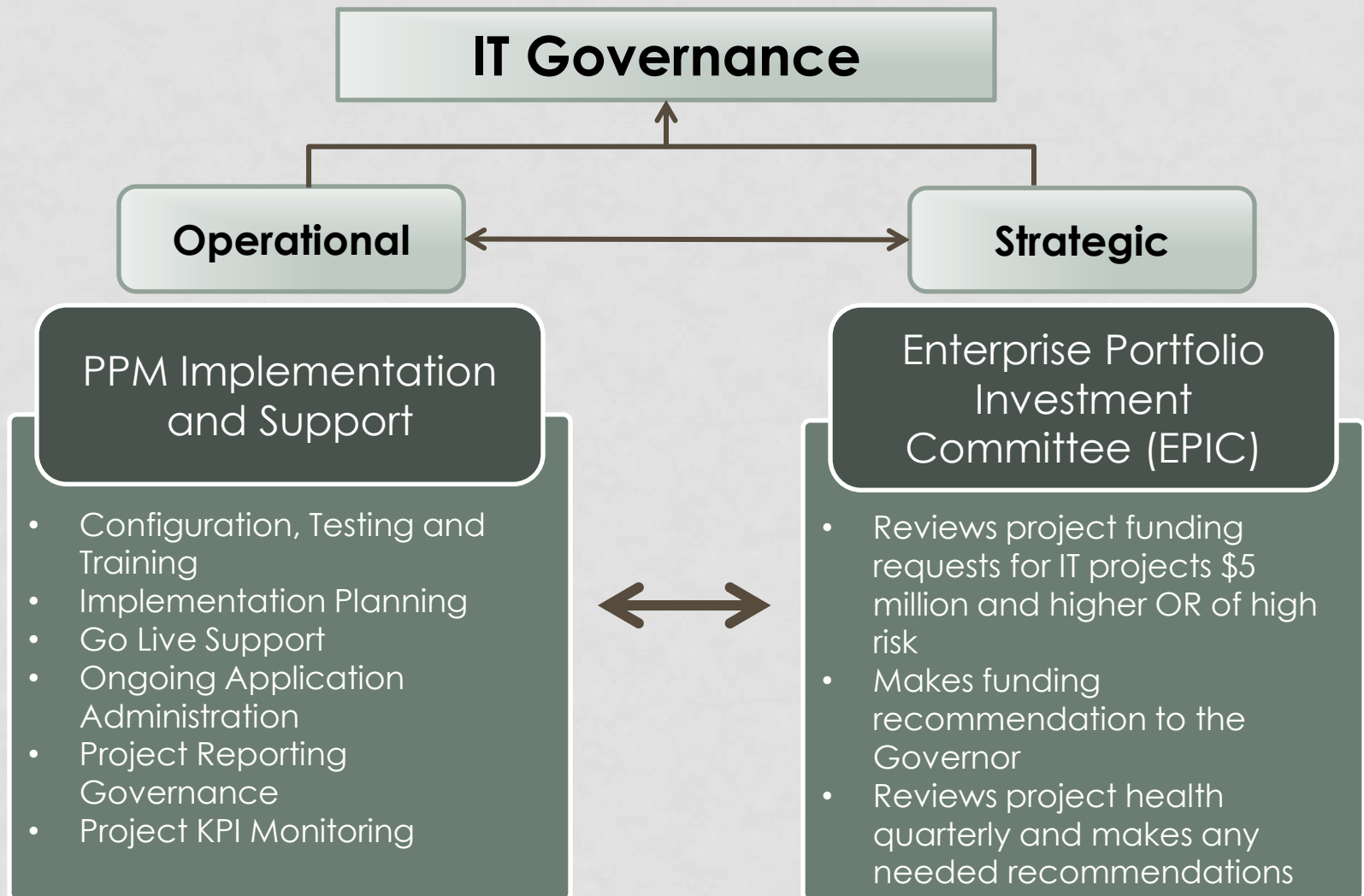
TN.GOV SERVING CITIZENS

- 14.8 Million visitors annually
- 182 Million page views annually
- 94 business applications for citizens in the ePortal
- 27 new applications added since 2013
- 18 different Agencies with ePortal Applications
- Over 5.6 Billion dollars in transactions Annually
- 85% increase in use since 2012
- Center for Digital Government 2013 Best of the Web winner

PROGRESS TOWARD IMPROVING IT OUTCOMES

- Improvements Made in IT Procurement Approaches for large system development projects
 - Focus on qualifications and technical approach above cost
 - Ability to qualify key vendors and negotiate with multiple vendors to achieve best value
 - More flexibility on terms and conditions
- Renewed Focus on IT Governance
 - Initiation of Enterprise Portfolio Investment Committee (EPIC)
 - Implementation of project portfolio management tool
- Improved Project Management Processes
 - Support provided by Business Solutions Delivery
 - Focus on key project success factors
 - Focus on contract management discipline

IT GOVERNANCE MODEL FOR TN



IT GOVERNANCE FOCUS AREAS



REMAINING CHALLENGES WITH IT PROCUREMENT

- Technology is changing faster than commodity procurement processes can be completed
 - Constant amendments required
 - Delays in purchasing more cost-effective technology
 - Delays in realizing cost reductions on existing services
- Remedy: Evolution of IT procurement approach
 - OIR is currently working with CPO to lower the number of required contract amendments on technology and eliminate the wait times required to realize the benefits of price decreases.

THE FUTURE OF INFORMATION TECHNOLOGY

- We are on the cusp of a major shift in how IT services will be delivered in the future. The advent of “Cloud Computing” promises reduced costs, lower risk, and faster implementations.
- Evolution of Computer Technology
 - Mainframe → (approx. 1960)
 - Distributed Systems → (approx. 1985)
 - Cloud Computing → (emerging and evolving rapidly)
 - The Internet of Things → (emerging)
- In general, cloud computing refers to the ability for users to connect & use computing services over the internet – similar to plugging an appliance into the electric grid today.

EXPERT OPINIONS/SOLUTIONS

Doug Robinson

(National Association of State CIOs)

Dugan Petty

(Center for Digital Government)